

Clean Air Mercury Rule Update

Clean Air Act Advisory Group
Meeting
May 1, 2006

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CAMR Timeline: Time Is Short

- Final rule published on May 18, 2005
- SIP due to EPA November 17, 2006
- Steps needed before sending to EPA:
 - Draft regulations complete
 - Draft Regulatory Impact Statement complete
 - SIP complete
 - KDHE internal review underway
 - Dept of Administration review
 - Attorney General review
 - Public hearing
 - Legislative Rule and Reg Committee

Proposed Kansas Mercury Rule

- Cap and trade authority included in SB 386, now K.S.A. 65-3005
- Updates KDHE's adoption by reference of NSPS (K.A.R. 28-19-720) through August, 2005
- Proposed CAMR regulations at K.A.R. 28-19-728.
- Adopts by reference EPA's model trading rule
- Hg allowance allocation process formulated in cooperation with stakeholders

Hg Allowance Allocations (1 of 4)

Kansas Trading Budget	
<i>2010-2017</i>	<i>2018 and thereafter</i>
0.723 ton	0.285 ton
1446 lb	570 lb
23,136 ounces	9,120 ounces

Hg Allowance Allocations (2 of 4)

Step 1 (Jan 2006): Stakeholder discussions on allocation

- Proposed regs follow model rule for existing unit allocations
- Allocations are permanent
- New unit set-aside of 3% of total annual budget (694 oz initially)
- New units receive maximum of 1% of set-aside each based on estimated heat input

Hg Allowance Allocations (3 of 4)

Step 2 (Feb-Mar 2006): Data gathering and calculations

- EGUs provided coal usage by rank and verified total heat input
- Calculate rank-adjusted heat inputs for years 2000-2004
- Determine average of three highest heat input values
- Calculate fraction of total heat input for each unit
- Multiply fraction times the state Hg budget times 0.97
- Result is each unit's annual Hg allowance...

Hg Allowance Allocations (4 of 4)

Unit Name	Avg. Adj. Heat Input (MMBtu)	Fraction (Weight)	Phase 1 Allocation (oz)	Phase 2 Allocation (oz)
Holcomb Unit 1	33,632,703	0.062991	1,414	557
Jeffrey Unit 1	69,789,676	0.130711	2,933	1,156
Jeffrey Unit 2	74,254,212	0.139072	3,121	1,230
Jeffrey Unit 3	75,867,621	0.142094	3,189	1,257
La Cygne Unit 1	68,115,830	0.127576	2,863	1,129
La Cygne Unit 2	75,488,214	0.141383	3,173	1,251
Lawrence Unit 3	6,540,293	0.012249	275	108
Lawrence Unit 4	13,942,824	0.026114	586	231
Lawrence Unit 5	43,175,038	0.080863	1,815	715
Nearman Unit 1	27,099,677	0.050756	1,139	449
Quindaro Unit 1	6,205,423	0.011622	261	103
Quindaro Unit 2	8,973,544	0.016807	377	149
Riverton Unit 7	3,113,581	0.005831	131	52
Riverton Unit 8	4,943,675	0.009259	208	82
Tecumseh Unit 9	8,726,675	0.016344	367	145
Tecumseh Unit 10	14,056,262	0.026326	591	233